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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

1999 JUL 21 A 11: 16

CARL J. KUNASEK

Chairman

JIM IRVIN

Commissioner

WILLIAM A. MUNDELL

Commissioner

JUL 21 1999

AZ CORP COMMISSION
DOCUMENT CONTROL

DOCKETED BY

[Signature]

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. E-01933A-98-0471
TUCSON ELECTRIC POWER COMPANY FOR)
APPROVAL OF ITS STRANDED COST)
RECOVERY AND FOR RELATED APPROVALS,)
AUTHORIZATIONS AND WAIVERS.)

IN THE MATTER OF THE FILING OF TUCSON) DOCKET NO. E-01933A-97-0772
ELECTRIC POWER COMPANY OF)
UNBUNDLED TARIFFS PURSUANT TO A.A.C.)
R14-2-1602 *et seq.*)

IN THE MATTER OF THE COMPETITION IN) DOCKET NO. RE-00000C-94-0165
THE PROVISION OF ELECTRIC SERVICES)
THROUGHOUT THE STATE OF ARIZONA.) NOTICE OF FILING INTERIM
CODE OF CONDUCT

Pursuant to Section 7.1 of the Settlement Agreement dated June 9, 1999 ("Agreement"), Tucson Electric Power Company ("TEP") hereby submits its Interim Code of Conduct ("Interim Code") to govern business relationships between TEP and its competitive electric affiliates. Prior to this filing, and in accordance with the Agreement, TEP has conferred with the Parties to the Agreement to solicit their respective input on the Interim Code. The Interim Code incorporates comments from the Residential Utility Consumer Office. Arizona Community Action Association had no comments at this time. With respect to Arizonans for Electric Choice and Competition, the Interim Code incorporates most of their comments, however, there are some issues that remain unresolved at this time. TEP makes this filing without waiver of its right to raise comments and

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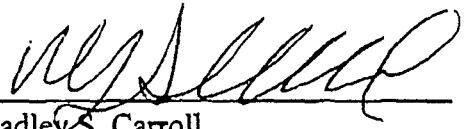
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1 request modifications with respect to the Electric Competition Rules ("Rules") or any final Code of
2 Conduct that the Commission may require under the Rules.

3 RESPECTFULLY SUBMITTED this 21st day of July, 1999.

4 TUCSON ELECTRIC POWER COMPANY

6 By:


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11 **Original and ten copies of the foregoing**
12 **filed this 21st day of July, 1999, with:**

13 Docket Control
14 ARIZONA CORPORATION COMMISSION
15 1200 West Washington Street
16 Phoenix, Arizona 85007

16 **Copy of the foregoing hand-delivered**
17 **this 21st day of July, 1999, to:**

18 Jerry L. Rudibaugh, Chief Hearing Officer
19 Hearing Division
20 ARIZONA CORPORATION COMMISSION
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22 Paul Bullis, Chief Counsel
23 Legal Division
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26 Ray Williamson, Acting Director
27 Utilities Division
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1 Copy of the foregoing mailed
2 this 21st day of July, 1999, to:

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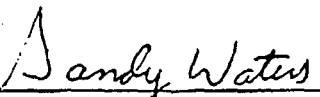
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14 By: Sandy Waters
15 Legal Secretary
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Interim Code of Conduct for Employees of Tucson Electric Power Company Concerning Business Relationships with its Competitive Electric Affiliates

1. No officer or employee of Tucson Electric Power Company (collectively hereinafter "TEP") shall directly (or indirectly through an officer or employee of another affiliate of TEP) provide any information regarding a customer of TEP to any officer or employee of a competitive electric affiliate¹ (collectively hereinafter "competitive electric affiliates") unless such customer has consented to the release of such information. This prohibition shall not apply to publicly available information or information that is derived from publicly available information. To the extent customer consent is obtained, TEP shall provide customer information to competitive electric affiliates and non-affiliates on a non-discriminatory basis.

2. Any non-customer specific non-public information shall be made contemporaneously available by TEP to competitive electric affiliates and all other non-affiliate service providers on the same terms and conditions. More specifically, TEP shall adhere to the following guidelines regarding the dissemination of information to competitive electric affiliates:
 - a. Any list of Electric Service Providers ("ESPs") provided by TEP to its customers, which includes or identifies competitive electric affiliates must include or identify unaffiliated entities included on the list of those ESPs authorized by the Arizona

Corporation Commission ("Commission") to provide service within TEP's certificated area.

- b. TEP may provide non-public supplier information and data which it has received from unaffiliated suppliers to competitive electric affiliates only if TEP receives prior authorization from the supplier.
 - c. TEP shall not offer or provide advice regarding competitive electric affiliates to TEP's customers.
 - d. TEP shall maintain records documenting all tariffed and nontariffed transactions with competitive electric affiliates, including, without limitation, all waivers of tariff or contract provisions and all discounts. These records shall be maintained for a period of three years, or longer if required by a governmental agency.
3. TEP shall operate as a separate corporate entity from any competitive electric affiliate. TEP shall keep all of its books and records separate from its competitive electric affiliates in accordance with applicable Uniform System of Accounts and Generally Accepted Accounting Principles. TEP's books and records shall be open for examination by the Commission and Staff to determine compliance with this requirement.

¹ For purposes of this Interim Code of Conduct, competitive electric affiliates are those TEP affiliates engaged in the business of providing competitive electric services as defined in A.A.C. R14-2-1601, *et. seq.*

4. TEP shall not share office space, office equipment, services, and systems with any competitive electric affiliate nor shall TEP access the computer or information systems of its competitive electric affiliates or allow any competitive electric affiliate access to its computer or information systems except as otherwise permitted herein.
5. TEP may share with competitive electric affiliates joint corporate oversight, governance, support systems and personnel; provided, however, that any shared support is priced in a manner that permits clear identification of the TEP and competitive electric affiliate portions of such purchases and in accordance with all applicable Commission allocation and reporting rules. TEP shall not use shared corporate support functions as a means to transfer confidential information, allow preferential treatment, or create significant opportunities for cross-subsidization of its competitive electric affiliates nor shall TEP make joint purchases of any goods or services associated with the marketing of the commodity of electricity to customers in connection with any sharing of joint corporate oversight, governance, support systems and personnel.
6. Any joint communication or correspondence with an existing customer by TEP and its competitive electric affiliates shall be limited to consolidated billing, when applicable, and in accordance with this Interim Code of Conduct.
7. Except as permitted herein, TEP shall not jointly employ the same employees with any competitive electric affiliate. This provision applies to Boards of Directors and corporate officers. However, any board member or corporate officer of TEP's holding

company (UniSource Energy Corporation) may also serve in the same capacity with TEP or a competitive electric affiliate, but not both.

8. Except as otherwise provided herein, all transfers of goods and services between TEP and competitive electric affiliates shall be at market values unless required to be at tariffed rates.
9. TEP shall not subsidize any rate or charge for any non-competitive services provided by TEP's competitive electric affiliate.
10. TEP shall not promote or advertise its affiliation with competitive electric affiliates, nor allow competitive electric affiliates to use TEP's name or logo in any material circulated by competitive electric affiliates, unless such competitive electric affiliate discloses in plain legible or audible language, on the first page or at the first instance TEP's name or logo appears, that:
 - i) The competitive electric affiliate is not the same company as TEP; and
 - ii) Customers do not have to buy competitive electric affiliates' products or services in order to continue to receive regulated services from TEP.
11. TEP shall provide customer specific information to any competitive electric affiliate on the same nondiscriminatory basis as such information is provided to non-affiliated ESPs only after prior affirmative customer written consent is obtained by TEP. Any non-

customer specific non-public information concerning customers shall be made available by TEP to any TEP competitive electric affiliate and all other ESPs on the same terms and conditions.

12. If TEP offers a discount or waives all or any part of any charge or fee for non-competitive services to a competitive electric affiliate, or offers a discount or waiver for a transaction in which its competitive electric affiliate is involved, TEP shall contemporaneously make such discount or waiver applicable to all.
13. If a tariff provision allows for discretion in its application, TEP shall apply that provision equally between its competitive electric affiliates and all other market participants and their respective customers.
14. Requests from competitive electric affiliates and non-affiliated entities and their customers for services provided by TEP shall be processed on a nondiscriminatory basis.
15. TEP shall not condition or otherwise tie the provision of any non-competitive service provided nor the availability of discounts of rates or other charges or fees, rebates or waivers of terms and conditions of any service, to the taking of any goods or services from a TEP competitive electric affiliate.

16. TEP shall not offer or provide competitive electric affiliates advertising space in any TEP customer written communication unless access is also provided to all other unaffiliated service providers on the same terms and conditions.
17. TEP shall not make any statement suggesting or indicating that:
 - i) A person or company doing business with competitive electric affiliates will receive preferential treatment with regard to the purchase or sale of transmission service or electric energy from or to TEP; or
 - ii) A person or company doing business with TEP will receive preferential treatment in the purchase or sale of electric energy from or to competitive electric affiliates.
18. In the course of business development and customer relations, TEP shall refrain from:
 - i) providing leads to its competitive electric affiliates;
 - ii) soliciting business on behalf of competitive electric affiliates;
 - iii) acquiring information on behalf of or providing information to its competitive electric affiliates; and
 - iv) sharing market analysis reports or any non-publicly available reports, including, but not limited to market, forecast, planning or strategic reports, with its competitive electric affiliates.